

Legg Mason Investments
Sub-fund of Irish domiciled umbrella unit trust

Report Issued: November 2007

Peer Group:

US Mainstream Equities

Fund Manager/Adviser:

Richie Freeman (since May 2000)

Location:

New York

Launch Date: May 2000

Fund Size (September 2007):

US\$262m

Group Contact No:

+353 539 149 999

Website:

www.leggmason.co.uk

S&P ID Number: OS351462

Share class screened:

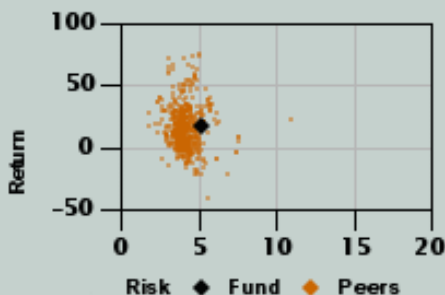
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INVESTMENT STYLE

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

RISK RETURN (STD DEVIATION) OVER 5 YEARS



3 YEAR RISK CHARACTERISTICS

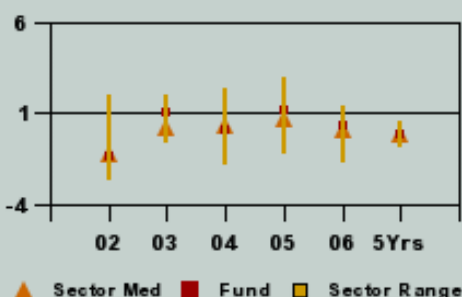
Maximum Drawdown (%)

Volatility

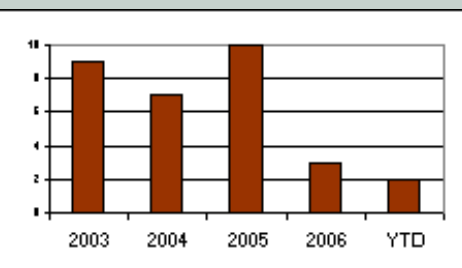
Correlation

Beta

SHARPE RATIO VS PEER GROUP



CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Further information on S&P's fund coverage can be found at

www.funds.standardandpoors.com

Performance Data Source - © 2007 Morningstar, Inc. All Rights Reserved. All statistical data on this report has been run to 31/08/2007 on NAV to NAV basis, with gross income reinvested, in US Dollars.

STANDARD & POOR'S OPINION (NOVEMBER 2007)

Richie Freeman has been managing money in this style since the launch of his US mutual fund in 1983. For the past 10 years he has been working with Evan Bauman with the two now effectively operating as co-managers on this product.

The two conduct much of their own work but do take background information and competitor analysis from the recently established analyst team at Clearbridge. This team now numbers 15 based in New York and San Francisco.

The process has been consistently applied by Freeman over many years. It is a long-term buy and hold approach with holdings such as Forest Labs and Comcast having been held by the manager for over 20 years. Stock selection focuses on financially strong companies that are able to provide above-

market earnings growth over the longer term. Despite the growth style, the manager will avoid highly valued momentum stocks, which served him well during the collapse of the TMT bubble in 2000/01.

The portfolio is built bottom-up and pays little regard to any benchmark. Sector and stock active positions can therefore be large and this can lead to volatility in the track record. Despite strong performance figures over recent calendar years, returns over the past 12 months have been weak primarily due to the high weighting to biotech, which has been a favoured area for many years and currently stands at 24%.

Overall, the experience of the manager and the consistent longer term approach results in the retention of the S&P AA rating.

FACT FILE

Group: Legg Mason Investments is part of Legg Mason Inc, a global asset management company with a history stretching back to 1899 and listed on the NYSE since 1983. After acquiring all of the asset management part of Citigroup in December 2005, Legg Mason became the fifth largest money manager in the US.

Team: Richie Freeman leads on aggressive growth strategies, working closely with Evan Bauman and supported by a team of 15 sector analysts.

Fund Manager: Freeman has 30 years' investment experience and has managed growth mandates to this aggressive strategy since 1983.

Style: Freeman's style is bottom-up, driven by fundamental research focusing on superior growth companies. The multi-cap portfolio is constructed without reference to a benchmark. Turnover is very low.

Performance: Over the five years to 31/08/2007, the fund has returned 88.6%, compared with 60.3% for the sector median and 76.2% for the index, ranking 55/729.

FUND MANAGER & TEAM

Richie Freeman is responsible for aggressive growth strategies within ClearBridge Advisors. Freeman runs around \$22bn in mutual funds and segregated accounts, all to the same model. He operates with considerable autonomy, working closely with Evan Bauman. He draws on the support of a newly-formed team of 15 sector analysts

Richie Freeman - MBA (New York University), has nearly 30 years' investment experience. He began his career as an analyst with Drexel Burnham Lambert, joining Smith Barney in 1983.

Evan Bauman - BS (Duke University), joined in 1996. He manages US growth equities portfolios.

PORTFOLIO CHARACTERISTICS

No. of holdings	69
Turnover ratio (%)	N/A
% in top 10	50

TOP 10 HOLDINGS (01/09/07)

	%
Weatherford International *	6.7
Anadarko Petroleum *	6.4
UnitedHealth *	6.2
Biogen Idec	5.8
Comcast *	4.8
Lehman Brothers *	4.7
Genzyme *	4.2
L-3 Communications	4.1
Cablevision Systems	3.9
Forest Laboratories *	3.5

* In top 10 holdings a year ago

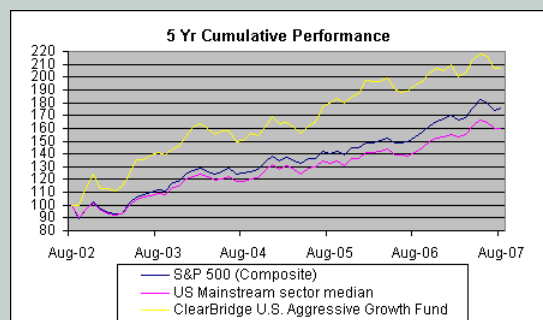
ALLOCATION BREAKDOWN (01/09/07)

	Index %**	Fund %
Consumer Discretionary	10	18
Consumer Staples	9	-
Energy	11	19
Financials	21	10
Industrials	11	7
Materials	3	-
Utilities	3	-
Health Care	12	30
Information Technology	16	16
Telecommunication Services	4	-
Other	-	-
Cash	-	-

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	37.7%	88.6%
Standard & Poor's Peer Median	35.3%	60.3%
Index**	41.2%	76.2%
Fund Rank	326/879	55/729
Standard Deviation	-	-
Relative Standard Deviation	-	-
Volatility Adjusted Ranking	/879	-

CUMULATIVE PERFORMANCE



Ucits III permits net fund exposure to be less or greater than 100%.

LEGG MASON CLEARBRIDGE - US AGGRESSIVE GROWTH FUND

Peer Group: US Mainstream Equities



MANAGEMENT STYLE

The fund is managed bottom-up with stock selection based primarily on Freeman's assessment of companies' business merits. He aims for high absolute returns. There is a clear growth bias and the fund has the flexibility to invest across the market-cap spectrum. The manager tends to favour new purchases in small- and mid-cap stocks, holding on to them as they grow. The investment perspective is truly long term and annual portfolio turnover is typically below 10%.

Stock selection is based on intensive fundamental research. Company visits are undertaken to gain a thorough understanding of the business and assess quality of

management. Long-term growth potential is essential so cyclical and mature companies are avoided. Valuation is important - the manager is looking for a PEG ratio of less than two.

A portfolio of 60-70 stocks is preferred, with 40-50 key holdings and a tail of smaller holdings that the manager is monitoring. There are no formal investment limitations relative to the Russell 3000 Growth index benchmark. Top-10 concentration can reach 50%.

While usually fully invested, cash can accumulate through lack of opportunities, or if the manager takes a view on the market.

PORTFOLIO REVIEW

As expected, there has been very little change to this portfolio over the past 12 months. The only new addition to the fund has been Sirius Satellite Radio where the management is well known and the industry viewed as offering good long-term potential. At \$5bn market-cap this is a typical purchase.

The number of holdings has dropped slightly over the year from 74 to 69, primarily reflecting the elimination of a few very small positions that were in the process of being sold last year (Pfizer, AT&T, Bill Barratt).

The portfolio retains a large bias to healthcare, almost all of which is represented through biotech stocks (24%). These tend to be the more established names such as Biogen, Amgen and Genzyme. Energy is also held at an overweight relative to the growth benchmark, with stocks here favouring the exploration & production and equipment & services rather than the large integrated companies. IT is the largest underweight.

There is a clear mid-cap bias.

PERFORMANCE ANALYSIS (SEPTEMBER 2007)

Since launch, the fund has outperformed its Russell 3000 Growth benchmark and has produced good returns in the S&P peer group despite its growth bias. The mid-cap bias has tended to help but the aggressive positioning means returns can be volatile.

Tyco proved beneficial in 2003, with stocks like Amgen, Genzyme, Chiron and Sandisk also boosting returns. The position in Neuberger added to performance as it was subject to a takeover. The bias towards small- and mid-caps, combined with a relatively high

exposure towards energy, drove performance in 2004 and 2005. Returns have been boosted by a number of takeovers, including the purchase of long-term holding Chiron by Novartis in late 2006. Maxtor and RSA have also been the subject of takeovers in 2006.

Returns over the past 12 months have been weak. The overweight to biotech has been the prime contributor (Amgen, Forest Labs). Exposure to financials (Merrill Lynch, Lehman Bros.) hurt together with the underweight to IT.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2003		2004		2005		2006		YTD 31/08/2007	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	35.6	83/774	10.2	269/857	11.0	86/917	9.6	667/933	0.7	846/967
Index**	28.7		10.9		4.9		15.8		5.2	
Median	3.9		12.6		4.1		8.5		26.1	

** S&P 500 (Composite)

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